

Inland Northwest Economic Adjustment Strategy

Case Studies

Prepared for:

**Idaho Rural Partnership / Idaho Department of Commerce
Montana Dept. of Commerce
Oregon Economic & Community Development Dept.
Washington Dept. of Community, Trade, and Economic Development**

By:

Barney & Worth, Inc.

In association with:

Birdsall & Associates
Paul H. Ehinger & Associates
E.D. Hovee & Company
Rural Development Initiatives, Inc.



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This report was prepared by Oregon Economic & Community Development Department and other state agencies. The statements, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the Economic Development Administration.

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Case Studies of Inland Northwest Communities and Tribes

I. Introduction

To better understand the socio-economic conditions facing communities and tribes across the Inland Northwest, case studies were prepared for eleven communities and tribes. The case studies – or “*Inland Northwest Stories*” – are intended to provide a more in-depth picture of the conditions experienced in rural communities and tribes in all parts of the four-state region.

Inland Northwest Case Studies

Idaho	Coeur d’Alene Tribe Grangeville Salmon
Montana	Darby Confederated Salish & Kootenai Tribes
Oregon	Wallowa County Warm Springs Tribe
Washington	Colville Confederated Tribes Curlew / Ferry County Kittitas County Stevenson / Skamania County

The seven communities and four tribes (and tribal confederations) were selected by the Advisory Committee to cover the entire Inland Northwest region, representing a diversity of size, socio-economic conditions, and local strategies. Each case study includes a capsule summary of community / tribal demographics, a description of socio-economic challenges, highlights of diversification strategies underway, along with community members’ personal stories – their struggles and successes.

These case studies are presented as a technical appendix to the Inland Northwest Economic Adjustment Strategy. Contributors include: Barney & Worth, Inc. (Portland and Olympia); Birdsall & Associates (Boise); E.D. Hovee & Company (Vancouver); and Rural Development Initiatives, Inc. (Eugene).

II. Highlights of the Case Studies

Highlights of the eleven Inland Northwest community / tribal case studies are provided below. The full case studies follow.

Idaho

Case studies were prepared for three Idaho communities and tribes:

Coeur d'Alene Tribe – located in Northwest Idaho

Grangeville – a community located in North Central Idaho

Salmon – located near Central Idaho's border with Montana

The following gives an overview of the three Idaho case studies.

Coeur d'Alene Tribe – With a reservation that includes Lake Coeur d'Alene, the Tribe's locale is well known to Pacific Northwest vacationers. Some 1,650 tribal members live on the 350,000-acre reservation straddling Benewah and Kootenai Counties, with a total population of 9,200. Due to its recreation amenities and close proximity to urban centers, the reservation is expected to experience significant population growth.

The Coeur d'Alene reservation's economy is based mostly on agriculture. The Tribe's 6,000-acre farm produces wheat, barley, peas, lentils, canola and grass seed. Logging is another important sector of the economy. In 1989, the tribal unemployment rate was 66%. Tribal family incomes have risen gradually, though, and are now commensurate with the incomes of non-tribal families living on the reservation. This income parity still leaves 80% of tribal households below median income levels for adjacent counties.

The Coeur d'Alene Tribe has in place a comprehensive plan to diversify its economic base. The Tribe's farm, Benewah Auto Center and shopping center near Plummer are all profitable and create jobs. The gaming facility in Worley, opened in 1993, now employs over 500 full- and part-time workers. The Tribe also partnered with the City of Plummer to open the Benewah Medical Center which now serves 10,000 patients annually, and provides over 50 jobs. Another tribal company employs 15 people in the manufacture of gun safes.

In 1999, a new fiberboard plant opened on a sawmill site which had been closed earlier due to fire, leaving 125 workers without jobs. The Tribe's future economic diversification plans include expansion of the gaming facility and adjacent visitor recreation amenities. Further tourism development may be hampered, however, by the pollution threat to the Coeur d'Alene River and Lake. Millions of tons of mining waste were dumped into the upper river and its tributaries for more than 100 years, making the Silver Valley the nation's second largest Superfund site. Cleanup is estimated to cost at least \$200 million, and will take years to complete. The Tribe, working with federal agencies, is taking the leading role in cleanup efforts and toward responsible stewardship of the basin's natural resources.

Grangeville's population of 15,500 has traditionally benefited from productive farmlands with rich soils, as well as four national forests totaling 5.5 million acres. Federal timber harvest cutbacks led to the 1994 closure of the Idapine mill, and 150 lost jobs. The mill closure

contributed to Grangeville's unemployment of 10.1% – twice the Idaho state average. Farm employment in the area has declined, too, by over 40%.

The case study describes the plight of two dislocated workers who have had difficulty finding employment at living wages. "Mark" was ultimately forced to relocate to Spokane, while "Don" remains unemployed.

Grangeville's 1999 strategic economic development plan targets downtown revitalization to reduce retail "leakage", and installation of modern telecommunications lines to serve the community. Funding has been obtained for a marketing strategy and for workforce training. A tourism development program is also underway, hoping to capitalize on Grangeville's proximity to wilderness areas.

Salmon (population 7,800) has also experienced the effects of a declining natural resources sector. Restrictions on timber harvest in the Salmon and Challis National Forests, closures of rivers due to endangered species listings, and restrictions on mining and grazing have all hurt the local economy. Every one of the area's five timber mills has closed, with over 250 jobs lost. The Beartrack Mine – which once contributed 30% of local tax revenues – has laid off 120 of its 155 employees. Unemployment in the area has risen to 8.3% – well above the 4.8% national average.

Infrastructure projects and diversification are key strategies in Salmon's economic plan. Funding was obtained for downtown beautification, along with a youth park and skating rink. The next targets are airport improvements, and funding for two new initiatives: Salmon Valley Innovation and Business Center, and Sacagawea Education and Interpretive Center.

The case study recounts the personal story of one dislocated worker. Through retraining, Mike England has made the transition from logger and wilderness guide to become a general contractor with three employees. He now competes successfully for government contracts for firefighting.

Montana

The two case studies that highlight Montana communities / tribes are:

Darby – in Southwest Montana

Confederated Salish & Kootenai Tribes – in Northwest Montana

Montana case studies are highlighted below.

Darby has collapsing log buildings which still stand as a reminder of its gold dust history. Many years ago, the glory days of mining were replaced by a thriving forest products industry. As the site of the oldest remaining U.S. Forest Service ranger station, Darby has long been a center for lumber production.

That changed in the 1990s. Darby Lumber announced its first layoffs in 1998, and is now permanently closed – a victim of scarce federal timber supply and low lumber prices. As a result, almost 100 area residents ended up out of work. The company's employee stock ownership plan was also impacted – longtime employees lost more than \$30,000 each. And with a town population of only 900, the mill closure has reached beyond Darby Lumber's

employees. Local grocery stores, retail shops, hardware dealers and tradesmen all feel the pinch.

For mill workers who have been able to find work, their personal survival strategies include commuting over 100 miles to forest products jobs in other towns, or working at jobs that pay only a fraction of their former wages. Six employees took advantage of a federal re-training program for displaced workers, enrolling in studies at the University of Montana. However, with a round trip commute of 170 miles, and no new job prospects in Darby, some students are skeptical they'll be able to remain in the community when they complete their educations. "You can't support a family on \$6 per hour," concludes university student and former mill worker Sharon Childress.

Confederated Salish and Kootenai Tribes – The Flathead Indian Reservation is home to the Confederated Salish and Kootenai Tribes. Of approximately 6,900 enrolled tribal members, some 3,700 live on or near the reservation. Of the Tribe's total workforce, almost 41% are unemployed. And nearly 40% of those who are employed fall below poverty guidelines.

Timber and wood products, agriculture and tourism are important industries. The tribal government is the largest employer. In early June 2000, Indian and non-Indian business and government leaders met at the Montana-Wyoming Tribal Economic Development Summit to discuss joint ventures and business partnerships. Officials noted that collaboration with outside companies is often the most successful way to create new jobs and business opportunities on the reservation. Tribal leaders were encouraged to take advantage of tribal sovereignty to promote and capitalize on opportunities available within the reservation.

Tribal officials are also looking abroad for economic development models, with Alberta providing an example centered on industrial diversification, improving Internet and telecommunications access and improving transportation infrastructure.

The Salish and Kootenai Tribes have initiated a number of promising ventures:

- An information technology firm founded by the Tribes recently landed a \$325 million federal contract. This will provide jobs for 100 employees at five U.S. locations. The tribal community college will provide the basic computer skills training needed for entry level employment.
- Salish-Kootenai College is one of the first tribal colleges to start a four-year degree program.
- The Kicking Horse Job Corps Center is the nation's first – and only – all Native American Job Corps vocational / technical school.

Oregon

The case studies for eastern Oregon communities / tribes include:

Wallowa County – in Northeast Oregon

Warm Springs Confederated Tribes – in Central Oregon

Highlights of these Oregon case studies:

Wallowa County is one of Oregon's most beautiful and undeveloped areas – with only 7,250 residents spread across 3,200 square miles, and no town larger than 1,900 population. But the county is isolated, 75 miles from the Interstate over a winding two-lane road, and several hours away from the closest urban centers. Experiencing a steep decline in its key natural resource sectors, the local economy has few options. Wallowa County lost more than 270 timber industry jobs over the past decade – 12% of county-wide employment. As a result, unemployment has been running over 10%, nearly twice the state average.

Local efforts toward economic diversification include creative new projects that may contribute to moving the county away from natural resource dependence:

- An Enterprise Facilitation Program assisting small businesses and entrepreneurs
- Rebuilding of the Wallowa Lake Dam, to store more water, enhance fish habitat, and add hydroelectric power.
- Local watershed enhancement plans, developed in partnership with the Nez Perce Tribe.
- Downtown beautification and streetscape improvements.

Local leaders also want to retain some element of the traditional forest products sector. Last year, the Joseph Timber Company invested \$500,000 in a small log processing facility. Nevertheless, the mill was forced to close in October due to lack of timber supply. After re-opening in April 2001, owner Steve Krieger remains hopeful he can remain in business: "I don't think the timber supply is going to completely dry up."

Warm Springs Confederated Tribes – the Warm Springs reservation is home to about 4,000 tribal members. The Tribes' economy has been heavily resource-dependent. As a result, the Warm Springs Tribes face many of the same difficulties experienced by other Inland Northwest communities – including seasonal and high unemployment (17% in summer and 35% in winter). Because the Tribes are both the chief landowner and major employer, reduced income from natural resources affects both tribal government and Tribe-owned businesses. With timber receipts down 26%, tribal revenue dropped from \$10,850 per capita to \$7,500 by 1998, and some 60 jobs were lost.

The Warm Springs Tribes' economic development plan focuses on four areas: tourism and travel, industrial recruitment / expansion, commercial and retail development, and tribal business investment. Specific strategies include:

- Continued operation of the Pelton-Round Butte dam and hydroelectric system.
- Establishment of a second gaming facility, in the Columbia Gorge.
- Development and exploration of new business opportunities.
- Continuing and expanding partnerships which currently produce \$15 to \$20 million annually in federal and state grants.

Despite her family history including crime and alcoholism, Susan Guerin sees education as the answer. Active in tribal politics, she is working on a BA and intends to go on to graduate school. As a gymnastics coach, Susan is committed to raising and supporting the self-esteem of young people.

Washington

Case studies were completed for four communities / tribes in eastern Washington:

Colville Confederated Tribes – in northeast Washington

Curlew / Ferry County – in northeast Washington

Kittitas County – in central Washington

Stevenson / Skamania County – in southern Washington's Columbia Gorge

Highlights of the four case studies follow.

Colville Confederated Tribes formed in 1872, as an alliance of 12 different bands and tribes. Located on 1.4 million acres in Eastern Washington's Okanogan highlands, in Ferry and Okanogan Counties, the Colville reservation is home to about 8,700 persons.

The Colville Tribes' economy has traditionally relied on forest products. The tribal timber operation takes wood all the way from forest to finished lumber. The tribe also operates a wood treatment plant that manufactures posts and poles. The reservation's natural resources also provide the basis for tourism: at Roosevelt Lake on the Columbia River; at Keller Ferry and Seven Bays Marinas, where visitors can rent houseboats and cruise 630 miles of river shoreline; and Rainbow Beach Resort. Three gaming facilities also attract visitors.

The Colville Tribes operate a wide variety of tribal enterprises. Colville Tribal Credit provides financial services to residents, small businesses and housing. The tribe runs walk-in health clinics in three tribal districts, as well as a senior center and convalescent home. There is also a tribally sponsored and union-sanctioned training program for tribal members interested in becoming journeymen electricians. As a general contractor, Confederated Tribal Services Corp. constructs buildings and roads as far away as Bremerton on Washington's Puget Sound. Last year, the corporation received the Corps of Engineers "Contractor of the Year" award for work on Columbia River fish enhancement projects.

Despite this diversification, the Colville Tribes' unemployment is still more than twice the state average. The number of families in poverty is about double the national rate. Fully 50% of the reservation's service population is under 16 years – so education is an important priority.

Curlew and Ferry County – Curlew is located in Ferry County, just 10 miles from the Canadian border. Approximately 85% of the county is forested, and half of the county's forest land is on the Colville Confederated Tribes reservation. Ferry County started as a gold mining center, but by 1900 there were sawmills in many parts of the county. Mining and forest products have continued to be the main industries, until recently generating 506 jobs, representing 27% of total employment and 44% of all wages. Today, fewer than half of these jobs still exist. The remaining active mining company is closing one of its two mines. Only two lumber mills remain. One of these mills, which provided employment for three generations, has cut its number of workers in half. Policy changes have drastically reduced the annual harvest in the area's National Forests.

Curlew is an unincorporated community of only 140 people. The Curlew Water District, the entity responsible for the community's drinking water, recently faced a pressing need to upgrade

its aging supply system. Through the WA-CERT (Washington Community Economic Revitalization Team) program, Curlew was able to obtain \$350,000 in grants to help fund the \$850,000 water system improvements. The next community priority is building an amphitheater which will host an annual bluegrass festival starting in 2001. This and other events are anticipated to attract visitors and help stimulate the local economy.

Kittitas County – Located at the crossroads of two major interstate highways – I-90 and I-82, Kittitas County is one of the most accessible counties in the Inland Northwest region. The County has a population of 33,000 – nearly half (14,350) are in Ellensburg, the county seat.

Kittitas County's economy has relied primarily on natural resource sectors, with agriculture (since 1860), logging and lumber (since the 1870s), coal and minerals (from the 1880s through the 1930s). For 100 years, Ellensburg has also been the home to one of the state's three regional universities, Central Washington University (current enrollment 8,500). The University's conference center attracts 20,000 visitors annually to the county.

In recent years, Kittitas County's key resource sectors have faced mounting pressure. Agriculture has been hurt by poor market prices, drought, and rapid escalation in the price of farmlands. The forest products industry has been affected by supply restrictions. However, the community is moving ahead on many fronts to diversify its economic base:

- Value-added agriculture includes new hay baling and wrapping methods that reduce waste and potential for contamination.
- A local business development group is working to attract light industry to the Kittitas County airport industrial park. This could produce up to 900 jobs by 2015.
- The City of Ellensburg recently purchased 700 acres of land, with a portion of the site to be rezoned to accommodate industrial and business expansion, flood control, and community sports fields. Partnerships with state and federal agencies are being pursued to finance infrastructure and streamline permitting processes.

Stevenson – the county seat of **Skamania County** – is located in the scenic Columbia Gorge, a few miles east of the Vancouver / Portland metropolitan area. Nearly 80% of the county's 1,700 square mile land base lies within the Gifford Pinchot National Forest, and 97% of the county's natural resource base is in public ownership / control.

Historically, Skamania County's economy has been dependent on its abundant natural resources. The local economy has fluctuated widely to adapt to market conditions, with local businesses forced to develop resilience to deal with these ups and downs. All of this changed in the late 1980s. Major changes in federal and state natural resource management policies radically altered access to these resources. In 1986 the Columbia River National Scenic Act placed large portions of the remaining private ownership under strict federally-mandated land use regulations. Economic development was confined to Skamania County's one city (Stevenson) and a handful of urban areas. Meanwhile, harvest restrictions on federally owned timber land crippled the area's once booming forest products economy, resulting in mill closures, business failures and a shrinkage in employment opportunities. The Endangered Species Act further hampered logging activities on State and private forestlands and challenged other economic uses of lands along rich fish-bearing streams and rivers. The economic impact of these natural resource policy decisions was immediate.

Lumber / wood products fell from over 25% of total employment in 1990 to only 13% by 2000. Many Skamania County residents responded by commuting to jobs outside the county – with commuters rising from 9% to 54% of all residents over just 10 years.

Further pressure on the community has resulted from growth. While its economy was declining in the 1990s – Skamania County has often had the state's highest unemployment rate – the county's population grew by over 19%. And thanks to Skamania County's proximity to the thriving urban center, housing prices more than doubled.

Fortunately, the community was able to draw upon a strong leadership team to face these challenges. Local leaders – many of them professional resource managers – foresaw the stream of policy changes, and spearheaded planning to diversify the economic base. An early priority was to exploit the tourism potential. A business / government partnership built Skamania Lodge and Conference Center, which opened in 1993 and now employs more than 320 – the county's largest private employer. Additional diversification strategies include:

- Attracting young entrepreneurs interested in Skamania County's recreational amenities.
- Adding to the County's inadequate inventory of industrial lands.
- Forming a public / private partnership to upgrade fiber optic telecommunications.

Developing a plan for redevelopment of the U.S. Forest Services' closed Wind River Nursery.

III. Case Studies

Coeur d'Alene Reservation, North Idaho

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ Coeur d'Alene Tribe members: 1,650
- ✓ Population of the Coeur d'Alene Tribe Reservation: 9,168
- ✓ The Silver Valley is the nation's second largest Superfund site
- ✓ Tribal families have achieved income parity with non-tribal reservation residents, but 80% of tribal households remain below median income levels for the surrounding counties
- ✓ The Tribe's economic diversification strategies include a Medical Center serving over 10,000 patients, a 5,600 acre farm, an automotive center, shopping center, casino, restaurant, and hotel, and two manufacturing plants, for gun-safes and straw particle board

Background

The Coeur d'Alene Reservation covers 345,00 acres in North Idaho, spanning the rich Palouse farm country and the western edge of the northern Rocky Mountains. "The Rez," as the locals call it, includes the Coeur d'Alene and St. Joe Rivers, and Lake Coeur d'Alene itself, considered to be one of the most beautiful mountain lakes in the world.

In the ancient tribal language, members call themselves "Schitsu'umsh," meaning "The Discovered People" or "Those Who Are Found Here."

The first white people to encounter the Coeur d'Alenes were French trappers and traders, who found the Tribe to be skilled at trading, thus the name "Coeur d'Alene," meaning "heart of the awl." One Frenchman described the Tribe as "the greatest traders in the world." Historically, the Coeur d'Alenes existed in three bands: the families living along the St. Joe's River, the families along the Coeur d'Alene River, and the families around and near Hayden and Coeur d'Alene Lakes and the Spokane River. The Tribe's form of government was a social democracy which prevailed for centuries. After European encroachment, the population of the three bands of Coeur d'Alenes was decimated—from 5,000 in the eighteenth century to 490 in 1905. Between 1873 and 1894, the tribal domain of 4,000,000 acres was reduced to 345,000 acres. Much of the land is now in non-Indian hands due to the after-effects of

POPULATION

Coeur d'Alene Tribe: 1,650

Reservation: 9,168

Towns on the reservation

Plummer: 983

Worley: 202

Tensed: 92

Partially on the reservation

St. Maries: 2,760

Since 1990, populations have increased as follows: Plummer, 22.3%; St. Maries, 13%, Worley 12.1%, Tensed, 7.8%.

the Dawes Act. Less than 10% remains in individual or tribal trust. The rate of population growth has been increasing steadily, and the number of Native Americans on the reservation has increased dramatically. The Reservation lies in two counties: Benewah with a population of 8,500 (per capita income \$11,044) and Kootenai county, population 67,300 (per capita income \$11,910).

Most Reservation residents anticipate significant population growth but less than half seem to want extensive growth. Besides the Plummer area, most growth seems concentrated near Lake Coeur d'Alene and other recreational areas. A large percentage of anticipated reservation population growth would come on the strength of immigration from urban areas that are within an hour's commute from the reservation center. Based on review of data describing other similar geographic and demographic areas, future densities will slowly increase in the northern portions of the reservation and stabilize in the southern portions. These predictions are based only on the permanent Reservation population base and continued growth in both the Spokane, Washington, and Coeur d'Alene Idaho populations-- not on recreational or tourist transients-- and predicated on approximately the same levels of primary resource based economics in agriculture and forest industries.

Low density scattered growth is typical in Benewah County, and this type of growth is difficult to plan for. The Tribe is attempting to concentrate growth for more efficient land use.

Natural Resource Issues

The reservation economy is based mostly on its productive agriculture. The Coeur d' Alene Tribe's 6,000 acre farm produces wheat, barley, peas, lentils and canola. The reservation countryside includes about 180,000 acres of forest and 150,000 acres of farmland, most of that farmland owned by private farmers. The reservation land also produces about 30,000 acres of Kentucky Blue Grass. Logging is another important component of the economy and source of revenue for the Tribe. Only selective cutting of forests is undertaken on tribal land. Clear cuts are banned. Tourism, including tribal gaming operations, continues to grow and impact the local and regional economy. "The shadowy St. Joe" is one of North America's premier trout streams, flowing from the Idaho-Montana line down to the south end of Lake Coeur d' Alene. The lower St. Joe is the highest navigable stream in the world, and a waterway for the tugboats that push giant log booms to lumber mills along the Spokane River far to the north. The Coeur d' Alene River, meanwhile, would be equally beautiful. However, it still suffers desperately from heavy metal pollution. One hundred years of silver, lead and zinc mining in Idaho's Silver Valley resulted in the dumping of mine waste and tailings into the upper river and its tributaries. The 72 million tons of mine waste dumped into the basin also represent a deadly threat to Lake Coeur d' Alene. The Coeur d' Alene Tribe and the United States Government have each filed suit against the mining industry in an effort to restore the river and its watershed. Today, the Silver Valley is the nation's second largest Superfund site. The natural resource damages, however, extend upstream and far downstream from the 21-square mile "box" that is now under Superfund. The Silver Valley Superfund cleanup is expected to cost \$200 million. The Tribe's natural resource damage assessment for the river, its

tributaries, the lateral lakes and Lake Coeur d'Alene totals over \$1 billion. The Tribe, working with the U.S. Forest Service, the U.S. Fish and Wildlife Department, the Bureau of Land Management and the U.S. Geological Survey, has taken the leading role in cleanup efforts and the leading role toward responsible stewardship of the basin.

The Justice Department followed the Tribe's lead, and the United States government filed suit against the mines and Union Pacific Railroad in the spring of 1996, echoing almost verbatim the Tribe's 1991 lawsuit. Union Pacific has since settled. As the Tribe works to create a basin cleanup, it also works to resolve ownership of Lake Coeur d'Alene, which is the heart of the Tribe's homeland and reservation. Tribal leadership is convinced by recent history and environmental neglect that the Coeur d'Alene Tribe is the last best hope for the future health of the lake and, therefore, the economy of the region.

Economic Background

In 1989, the tribal unemployment rate stood at 66%. During the past twenty years, the incomes of tribal families have gradually increased and are now commensurate with the incomes of non-tribal families living on the Reservation, despite seven generations of

**"Through the millennia,
Mother Earth was the
employer. Coeur d'Alene
Indians earned their livings
through what was provided in
nature."**

Bob Bostwick, Coeur d'Alene
Tribal Website

economic devastation and injustices. No outside force, entity, or authority can legitimately claim credit for this recovery, though many participated both as advocate and adversary during the struggle. Tribal economic development and tribal policies achieved this equality: developments such as gaming, and policies such as the Tribal Employment Rights Ordinance.

The economy of the Tribe since European incursion has been affected by many issues rather than by a single issue such as unemployment caused by the decline of natural resources. Sovereignty, land ownership and jurisdiction, as well as social, educational, and cultural issues have all been involved in economic development. Tribal policy does not address economic issues as separate from the health of the community. Some goals cannot be defined by blueprints and balance sheets: preserving the culture of the Coeur d'Alene people; protecting natural beauty and environmental quality; providing meaningful employment, and social and educational opportunities; and promoting the personal health and welfare of tribal families.

**"The Coeur d'Alene Tribe is
transforming Western
Benewah county. Its
successful economic
development efforts have
reduced the traditionally high
unemployment on the
reservation. Of 448 jobs
added to Benewah County
between 1993 and 1998, the
Coeur d'Alene Tribe added
nearly half."**

Idaho Department of Labor

The Tribe provides community services such as medical care, child welfare protection, family support, addiction disease treatment, mental health, elder services, child advocacy, law enforcement, and many others. The Tribe is investigating the need and capacity to provide public safety, public health, and all other services generally included within the scope of legitimate government.

The income equality that has been achieved with non-tribal families on the reservation still means that 80% of tribal households remain below median income levels for the surrounding counties. Progress to date is not enough. The Tribe will continue with its policies and come up with new strategies to promote healthy communities on the reservation.

Strategies

The Tribe's Comprehensive Plan emphasizes diversification of the economic base. Diversification includes strengthening resource management, improving infrastructure systems, developing an industrial park, expanding retail and wholesale enterprises, developing tourism, zoning development, and improving transportation. The Tribe owns a 5,600 acre farm, the Benewah Auto Center, and a shopping center adjacent to Plummer, all of which have been profitable and have created jobs. In 1990 the Tribe and the city of Plummer opened the Benewah Medical Center. The clinic's success led to three expansions, including a Wellness Center with health-related programs. The Medical Center initially employed 12 people; in 1999, it employed 54 people and served 10,000 patients. In 1993 the Tribe opened a gaming facility in Worley. Employment grew in six years from 12 full-time employees and 65 part-time employees to 438 full-time and 80 part-time employees. The facility's success led to the expansion of the casino to 2,200

seats and to the development of a restaurant that employs over a hundred people. Expansion in progress includes a hotel, golf course, RV park, and events facility. The gaming facility generates about \$13 million in profits annually, funding programs as well as creating economic development and diversity. In 1995, the Tribe opened a larger school at DeSmet. The Tribe opened a gas/convenience store in 1997, and purchased the IronMan Safe Company in 1999, which currently employs 15 people in the manufacture of gun safes. Grant money was obtained to help the Tribe acquire and restore the fire damaged Rayonier Saw Mill property in Plummer. The closure of the mill had left 124 workers without jobs. In 1999, Pacific Northwest Fiberboard opened at the site in partnership with the Tribe to manufacture straw particle board.

New Approaches

Tribal planning stresses the importance of flexibility, responsiveness, and interaction. As conditions on the Reservation change, planning efforts can change direction as well. With improvement of overall conditions for families on the reservation, tribal planners are considering the possibility of development that is more purely economic in nature. Also, as new technological opportunities emerge, the Tribe is ready to be innovative in making use of them. The Tribe's exploration of the possibility of Internet gaming is an example of that innovation.

**"The Coeur d'Alene Tribe
has lifted itself from almost a
century of dependence and
abject poverty...We have
learned that the future
journey will also require
courage and vision."**

Ernie Stensgar, Tribal Chairman

Conclusion

The Coeur d'Alene Tribe will continue on the path of sovereignty, self-determination, and self-sufficiency. The Tribe has focused on improving the health of its community from within, addressing a wide range of community needs in traditional as well as innovative ways. At the same time, the Tribe has strategically used help that has been available from outside sources—using aid effectively by integrating it with community development.

Grangeville, Idaho

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ City of Grangeville, Population: 3,666
- ✓ 143 jobs lost due to the closure of the Idapine mill
- ✓ County-wide economic decline is also affecting Grangeville in its role as a regional supplier of goods and services
- ✓ Community projects include downtown revitalization and workforce training, construction of a visitor's center and improvement to the city water system
- ✓ Grangeville is participating in an initiative to develop a straw-based particle board plant

Idaho County

County Seat: Grangeville
Area: 5.4 million acres
Total Population: 15,511
Percent Below Poverty
Level: 17.6%

Grangeville

Population: 3666
Area: 216 square miles

Outlying Cities:

Kooskia: 675
Riggins: 410
Stites: 226
Ferdinand: 145
Whitebird: 106

forests totaling 5 1/2 million acres. Grangeville sits in one of the country's largest counties, Idaho County, which stretches from Oregon to Montana. Grangeville is the major community in the Camas Prairie, which is productive farmland: wheat, canola, peas and other crops flourish in the rich soils. The Nez Perce National Forest (4.5 million acres) is located in Idaho County. The landscape is diverse and beautiful with six wild and scenic rivers. Wildlife can be seen all over the county lands.

The closure of the Idapine mill had a traumatic effect on the economy of Grangeville, and the general economic decline of the county has affected the town as well. Grangeville sits near the geographic center of its primary trade area, Idaho County. In terms of physical area, Idaho County is the largest in the state of Idaho. Grangeville is the largest of the county's towns. Located on Highway 95, the main north-south highway in the state, Grangeville is situated 73 miles south of Lewiston (population 28,082) and 197 miles north of Boise, the state capital—the town is well-positioned to serve as a regional shopping center. However, the general economic decline in the wood-industry based towns of the county has affected Grangeville's businesses severely. Idaho County's main industry is lumber/wood manufacturing, which employs ten percent of the work force. Other manufacturing and

Background

Grangeville is located in North Central Idaho on Highway 95 and is the Gateway to five wilderness areas and four national

Unemployment in Grangeville is disproportionately higher at 10.1% than the rest of the state at 5%, due in part to the closure of the Idapine mill.

mining make up five percent of the jobs. The majority of workers are in government: twenty-five percent in government administration and ten percent in government education. The remaining workforce is twenty-one percent trade, retail and wholesale, thirteen percent service, six percent construction, four percent transportation and four percent finance.

Grangeville is wrestling with the decline of timber-oriented jobs and the reduction of the number of persons needed to work in agriculture. The Nez Perce National Forest Headquarters is located in Grangeville, and the number of government forest management jobs based in Grangeville has not declined. This economic base has helped soften the blow of the loss of employment in other sectors. However, government jobs are not replacing the number of jobs lost in other sectors; those jobs need to be replaced and augmented to reverse the current economic decline in the county.

Declining Natural Resources

The amount of timber available for use in industry has been steadily decreasing. Idaho County is a rural area with a population density of 1.7 people per square mile. More than three-quarters of the county is in forested land. Since 1981, wood products employment has declined from 852 jobs to 544 jobs: a 36% decrease.

Forests cover 81% of the county, with the remaining areas supporting agriculture, wood products, and resource based recreation industries.

Economic Impact

The entire county is suffering from cutbacks in resource-based industries.

- In 1994, the Idapine Mill in Grangeville closed permanently and 113 workers lost their jobs—a three million dollar payroll. Unemployment over the next ten years increased from 5.35 to 14.6%.
- Since the Idapine Mill closure, an additional 30-40 jobs have been eliminated due to cutbacks among contractors and service firms directly affected by the mill closure.
- Farm employment has declined as well—by over 40% in the late 1980's--adding to the economic difficulties of the region.
- According to the Idaho Department of Employment, more than one in five people in Idaho County are classified as economically disadvantaged.
- Idaho County per capita income in 1992 was nearly 17% below the state average.

Human Impact

“Don”, after graduating from high school, worked at a sawmill in Idaho County. After being laid off when the mill closed, he was successful in finding new employment with a logger. However, the seasonal nature of the work prompted him to seek other employment in the Grangeville area for a more stable income for his family. Although his work experience included record-keeping skills and equipment maintenance, he was unable to secure employment on that basis. He considered starting his own business, but was dissuaded from doing so due to the complexities of taxes and regulations. Without retraining, jobs available to him pay from \$5.15 to \$7.00 an hour and do not include benefits.

“Mark” moved to Grangeville from out of state. His motivation for relocating was to find a better quality of life in a rural setting for his family. He was pleased with what he saw in the Grangeville area. Because he was a skilled metal worker, he anticipated being able to find work without much difficulty. However, openings in his field were extremely limited. After looking for work unsuccessfully, he traveled to Spokane where work was available and is remaining there on what he hopes is a temporary basis.

Strategies

In 1988, Grangeville participated in WWP's Small City Economic Development Summit. Since 1990, the GEM Team, Grangeville Economic Management Unit, has been involved in a number of projects geared toward diversifying and strengthening the economy. The team developed a strategic plan in 1999, targeting downtown revitalization, business development, economic planning, and tourism development as key areas. A downtown revitalization project is underway that will improve infrastructure as well as the streetscape. Most importantly, the project will substantially reduce a \$60 million “leakage” away from the Grangeville downtown economy. Funding has been obtained to improve the city water system. Funding has also been obtained for developing a marketing strategy and for workforce training.

“Grangeville needs many things related to developing new sources of economic vitality, including infrastructure improvements and ways to encourage new businesses.”

Grangeville Gem Community Team

Tourism development has been underway for some time; a Visitor's Center was built in Grangeville to enhance the Canyons Scenic Route (designated in 1989). A current project will update information at the Visitor's Center and create Industrial Park pamphlets.

New Approaches

In addition to strengthening existing sectors of Grangeville's economy, residents are brainstorming new directions. Investors are being sought for a straw-based particle-board plant that would use both straw and wood fiber in production. The plant would create jobs as well as use straw grown by farmers in the region; the use of straw would provide an ecologically sound alternative to the practice of burning straw fields.

Small industries manufacturing value-added local products could replace lost timber-related jobs.

Grangeville residents are recognizing the advantages of working with regional support, and are continuing the development of the Central Idaho Network Association to help encourage new businesses and create jobs. The GEM team also proposes getting digital phone lines to Grangeville and opening the area to small high-tech businesses. Several businesses have shown interest in moving to Grangeville, but needed digital lines in order to operate.

Resources

Grangeville has access to a number of resources within and outside of the city. Local and county officials, as well as business people and residents have been involved with projects linked to state resource organizations. The state of Idaho is currently implementing new rural economic

development programs that will support planning and project related activities.

Conclusion

Grangeville is approaching its changing and struggling economy on several levels at once. Its role as a county center means that it is affected by the economic conditions of the county as a whole. Residents are taking action to strengthen their community from within as well as to diversify the economy by creating conditions in which new businesses can flourish.

Salmon, Idaho

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ Population, city of Salmon: 2,941
- ✓ Percentage Below Poverty Level: 15.8%
- ✓ 250 jobs lost due to mill closures
- ✓ 120 jobs lost due to the Beartrack mine closure
- ✓ Community projects include downtown and infrastructure improvements.
- ✓ Local strategies: development of a business park, and placing Salmon on the Scenic Byway system.
- ✓ Salmon is participating in a collaborative initiative to develop the Sacajawea Education and Interpretive Center, containing a community center and cultural institute.

Lemhi County

Population: 7,806

Salmon

Population: 2,941

Percentage Below
Poverty Level: 15.8%

Outlying Cities:

Challis: 748

Gibbonsville: 85

Leadore: 111

North Fork: 150

party crossed the Continental Divide for the first time at Lemhi Pass.

The Salmon Valley is located in one of the most beautiful natural areas in the United States, providing unparalleled outdoor recreation opportunities. However, Salmon's proximity to the wilderness also means that it is isolated. Highway 93 carries one of the lowest volumes of nonresident motor vehicle tourists of all federal highways in Idaho. Both the services and infrastructure of Salmon have limitations. Also, Salmon is undergoing economic hardship. Closures of mills and mines as well as restrictions that affect tourism have resulted in a significant loss of employment. Over 90% of the land in Lemhi County is in Federal hands, and the local economies are strongly linked to the land.

Background

Located at the confluence of the Lemhi and Salmon Rivers, this small western town is known as the Gateway to the Frank Church River of no Return Wilderness, and also as the Whitewater Capital of the World. The Lemhi River Valley was home to the Mountain Shoshone Indians more than 8,000 years ago. The Shoshone tribes gave the name "Ag-gi-pa" to both the Lemhi and Salmon Rivers, meaning "fish water". White settlers named the Salmon River in honor of the yearly migration of salmon to their breeding grounds. The Lemhi River was named for the chief of the Mountain Shoshone, Chief Lemhi. Salmon is an important point on the Lewis and Clark trail. In 1805, Captain Meriwether Lewis and his small advance

It has become impossible for many residents in the area to continue with their historic means of livelihood.

The county once hosted a diverse resource economy based on the land area held by the federal government. Decisions made in Washington, DC have severely reduced jobs and opportunities in every sector of industry, including commercial recreation, logging, mining, ranching, hunting and fishing. At the same time, payments in lieu of taxes, government employment, and revenues from USDA Forest Service receipts have been cut.

Declining Natural Resources

Restrictions on logging and mining along with species protection policies have curtailed local use of natural resources.

Timber harvest in the Salmon and Challis National Forests has been reduced to less than two million board feet per year. Concerns for Chinook salmon have led USDA Forest Service and National Marine Fisheries to restrict and reduce river rafting and fishing in our streams and rivers. Road closures and travel restrictions imposed for wolf recovery and bulltrout programs have hampered winter recreation. Grazing restrictions continue to impact the cattle industry.

Economic Impact

Employment has been lost in mills as well as mines, putting the local economy into crisis.

- Until five years ago, the area had several small locally owned timber mills, which operated on forest products made available from federal lands. Every mill has closed, resulting in the loss of 250 jobs-- a drop in employment of more than 10%. The last closure cost the area 30 jobs.
- The tourist outdoor recreation industry has employed 20% of the area's workforce. Restrictions on the use of rivers and roads has forced local firms to sell out to seasonal operators.
- Unemployment in Lemhi county is 8.3%, while the national average is

4.8%. Per capita income in Lemhi county is 74.4% of the national average.

- Low metal prices coupled with high permitting costs have been the cause of mine closures. Since the redesignation of Napias Creek as Salmon Habitat, the Beartrack Mine Project has laid off 120 of its 155 employees. The mine used to provide 15% of the area's employment, and 30% of the revenues for local taxes.
- Grazing restrictions have affected the cattle industry for the past ten years. The area's small operators, each with a few hundred head of cows, will have difficulties surviving new restrictions on nutrient loadings and sedimentation.
- The introduction of the Canadian Grey Wolf has adversely affected tourism

"Our community feels that the imposition of all of these various programs to benefit the general public of the United States have not attempted to compensate us for their deep impacts on our lives."

Lemhi County Lewis and Clark
Bicentennial Committee

based on hunting because of the disruption in the feeding patterns of wild ungulates and the reduction of their numbers. Eco-tourism, though a possibility for the future, does not currently exist at a significant level.

- Local governments have experienced shortfalls of 30 – 40% in revenue, affecting schools, road maintenance, and the ability to provide health and social services.

Human Impact

Mike England is a Northfork resident whose grandparents homesteaded in the area. His father operated a small sawmill and also worked as a guide and outfitter. Mike grew up working both in the mill and in the wilderness. When large companies began opening mills in the area, Mike's family-owned mill had to close along with other smalls mills. Believing that there was not much future in resource-based industry, Mike financed his retraining while working for a logging operation as a feller. He works now as a general contractor with 2—3 employees and contracts to the government for fire-fighting in the summers. "It's a hand to mouth kind of living," Mike says, but says he's happy to have been able to stay in the area and raise his two children there. Others trying to make a transition from logging or mining, he said, into other ways of making a living had to relocate. Two years ago, Mike began serving as county commissioner.

"We are at the mercy of the stroke of a pen. Our economy is tied to federal land - timber, recreation, mining, and agriculture."

Mike England, North Fork

Strategies

Infrastructure improvement and economic diversification are key strategies of the Salmon Gem Community plan. The plan outlines both long term and short term projects, some of which have already been accomplished. Funding was obtained for a downtown beautification project including landscaping and improvements. The city

"Considering the natural resource situation, it appears that our opportunity to expand and diversify depends on making sure that the Salmon Valley remains a desirable place to live."

Salmon Gem Community Plan

established an Urban Renewal District to help guide future planning efforts.

A youth park and a skating rink were developed. A juvenile detention center was completed. Three years ago, a marketing strategy outlined ways for Salmon to improve the economic role that tourism has in the community. Plans in progress include placing part of a historic bridge across the Salmon River connecting two parks. Adding Highway 28 to the Scenic Highway system has been proposed. Funding for airport improvement is being sought, as well as funding for a Salmon Valley Innovation and Business Center.

The people of Lemhi County are seeking a means to preserve their cultural heritage and provide employment while protecting part of the history of America.

New Approaches

Salmon is actively involved in seeking innovative alternative to natural resource-based employment. A full-time economic director has been hired. Funding is being sought for the Sacajawea Education and Interpretive Center, which would contain a community center and cultural institute.

The project is a cooperative effort between the City of Salmon, Lemhi County, Lemhi County Lewis and Clark Bicentennial Committee, Salmon Chamber of Commerce, the local office of the USDA Forest Service, and the local office of the Bureau of Land Management. The Center will house administrative offices, display wings, learning center, conference rooms and performing arts area.

Resources

A variety of resources are available to Salmon. Chamber members, city and county officials (including a new county Economic Development Office), as well as local

business people, artists, and residents have experience working with state resource organizations. On a regional level, this area is served by the East Central Idaho Planning and Development Association for grants development and business financing support. The state of Idaho is also currently implementing new rural economic development programs that will support planning and project related activities.

Conclusion

Salmon is a rural community in a crisis of change as its economic base requires rebuilding. Salmon has reached out in several new directions looking for economic opportunities and diversity. Strengthening community identity and engaging in partnerships have been part of the process of change.

Darby, Montana

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ Population: 900
- ✓ 100 direct jobs lost in 1999 with closure of Darby Lumber
- ✓ Bitterroot National Forest timber sales have dropped from 20-40 million board feet p/year in the 1980's, to 4-13 million in the 1990's
- ✓ Some ex-mill employees have pursued state-sponsored worker retraining programs / additional education
- ✓ Some ex-mill employees have found new employment, but at reduced incomes. Others have been forced to move out of area

Background

Darby is located in Ravalli County, 64 miles south of Missoula between Hamilton and Conner. On the banks of the Bitterroot River near the Idaho state line, Darby is situated in the heart of the Bitterroot Valley, a popular recreation area hosting Painted Rocks State Park, the first USDA Forest Service ranger station and Darby Pioneer Memorial Museum. Collapsing log buildings still stand as a reminder of the gold dust days.



Darby's Pioneer Memorial Museum was originally one of the first hand-hewn homestead cabins built in the area. In 1958 an interested citizen purchased the building and paid to have it moved to its present location, adjacent to the city park on U.S. Highway 93. It became a museum depository for the extensive collection of both home and business artifacts saved by the many pioneer families in the area.



The old Darby Ranger Station was built between 1937 and 1939. From 1965 until 1990 this building was used by the Bitterroot Hot Shot Fire Crew, and in 1991 it was converted into an Historical Visitors Center.

Through The Mill*

Each morning for more than a decade, Harry Thorning got out of bed to drive his 18-wheeler loaded with Darby Lumber wood chips some 250 miles to Rexburg, Idaho. The long haul took him over four mountain passes. In bad weather, he'd chain up eight times. He loved his job, and it paid well.

The mill south of Darby shut down in 1999, forcing the 55-year-old truck driver to take a major detour in life. He still leaves home at daybreak each morning, but now he drives a

1983 Nissan compact car with a pile of math, computer and metallurgy textbooks at his side. The new road he travels takes him almost 70 miles north to Missoula and the University of Montana. Along his journey he passes the old mill site. Warehouses stand hauntingly vacant, and the old log yard lies empty. Thorning's been forced to trade the winding mountain passes for traffic lights.

It's been almost a year since Darby Lumber announced the mill wouldn't reopen, about 16 months since the initial shutdown put almost 100 people out of work. But many of the former employees still feel the impact. At the time, Robert Russell, Darby Lumber's chief executive officer, cited a poor timber market as a key reason for the closure. Lumber prices were at an all-time low, while timber sold on federal lands was becoming more scarce and costly.

In May 1999, employees learned the mill was up for sale. If it didn't sell by Aug. 1, company officials vowed to liquidate all assets in an effort to pay off an \$11 million debt. The mill didn't sell, and in late August, piece-by-piece, it was auctioned off to the highest bidder. Some former employees moved, driven away by a lack of well-paying jobs. Many others found work but at lower wages. A few took advantage of a federal program that retrain former workers, offering tuition and support dollars to learn a new skill.

Thorning now spends about three hours daily traveling to and from Missoula from his home near Conner and another eight hours in classes. He's studying welding technology. By May, he will be a certified welder. He may stay in school another year to earn an associate degree in applied science.

But many of Darby's displaced workers are finding it difficult, at best, to adjust to the changing economy of the West. "I don't think people realize how hard it is to start over," says Norma Mitchell. She's the wife of Robert Mitchell, who worked in the timber industry around Darby for more than 30 years. He was Darby Lumber's maintenance supervisor. Hard work and almost a lifetime of experience had taken him up the company ladder. Now he earns less than half what he made at Darby Lumber.

"We just barely get by is what it amounts to," Robert Mitchell says "It would be difficult if we still had the kids at home." At 53, Mitchell says, it's been hard to re-enter the job market. When he went looking for work, some businesses didn't hire him, he suspects, largely because of his age.

Even when Darby Lumber announced the first wave of layoffs in late September 1998, Mitchell had hopes the mill would reopen. "I didn't think it was permanent," he says. "I figured we'd start up again."

The Bitterroot National Forest surrounding Darby sold 20 million to 40 million board feet of timber a year during the 1980s. Through the 1990s, timber sales ranged between 4 million and 13 million board feet.



Mitchell and many other employees lost both their jobs at the mill and all the value of

shares they'd accumulated in the Darby Lumber Employee Stock Ownership Plan. The stock loss exceeded \$30,000 for longtime employees. Mitchell says he never banked on the money for retirement, though. "A thousand shares of nothing is a thousand shares of nothing," he says.

The mill closure, Mitchell says, has reached beyond Darby Lumber's employees. Local grocery stores, retail shops, hardware dealers and tradesmen all feel the pinch, he says. "People that used to buy steaks are now buying hamburger," he says.

Not all losses have been economic. Norma Mitchell had hoped her three grown children could someday bring her grandchildren to visit the home where their parents grew up - a single-story house tucked away in one of Darby's quiet residential neighborhoods. Those hopes are dimming.

The Mitchells are seriously, but reluctantly, thinking of moving where the job market is better. Just a few blocks west of the Mitchells' quiet neighborhood is downtown Darby. Locals gather at the Sawmill Saloon, a rustic pub where old chain saws hang from the ceiling and tools of the timber trade are prominently displayed on the rough-cut, slab-wood walls. Old photos show loggers and huge trees larger than anything growing in the surrounding forest today.

Not as much beer flows at the Sawmill since Darby Lumber shut down. Saloon owner Gary Steinman says the slowdown is noticeable. The reason is obvious to Steinman. "There's no woods work at all," he says. "The forest isn't selling any significant timber."

Steinman, who worked as a forester for 15 years before buying the saloon, says the Forest Service should go back to cutting

more timber and managing the forest for commercial use. "What we're not doing is quite a crime," he says. "The timber supply is there and not being used. The mill closure is a symptom of a lack of management."

Gerald Ring is one who did find another sawmill job after Darby Lumber closed, but it was more than 100 miles away. Ring was two days away from leaving Darby to start the new job at Pyramid Lumber in Seeley Lake when a Hamilton-area company offered him a job. He took it. "This is our home," he says. "We raised our kids here, but the sacrifice of staying here now is you have to take what you can get."

"We can scarcely cast our eyes in any direction without perceiving deer, elk, buffalo or antelopes... beautiful in the extreme."

Captain Meriwether Lewis on his return trip through the Bitterroot wilderness.

Ring says he's lucky to have found a good job with a family-run business, one he describes as employee-oriented, a short commute from Darby. He says he isn't sure why Darby Lumber closed. He thinks changes in federal timber policy, resulting in fewer trees cut on federal lands, was a major factor in the mill's demise.

Ring points to American Timber Co., in Olney, as another casualty of federal timber policies. The 72-year-old Flathead County mill recently announced plans to close its doors this spring. American Timber employs about 145 people at its mill west of Whitefish and provides jobs for another 100 or so subcontractors who work in the woods.

Harry Maxwell, 35, was one of the younger employees at Darby Lumber. He'd worked there five years as a forklift operator and

was 80 percent vested in the stock plan when the mill closed. Now he's employed by Darby Distribution, a hardware retailer, earning \$2 an hour less than he made at the mill. Like so many of his fellow millworkers, Maxwell faces an uncertain future. He says he wants to stay in the Bitterroot Valley, but every day it's tougher to make ends meet. "I have a fairly decent job," he says. "But it's hard to go from what I was making to making a lot less and still try to be happy."

When Darby Lumber's doors closed, new doors opened for a small group of former employees with dreams of attending college. Displaced workers may receive tuition and support money for up to two years under the federal Trade Adjustment Assistance Act.

Sharon Childress is one of six employees who took advantage of that opportunity, and it has proved challenging. A single mother with an 11-year-old daughter, Childress drives 170 miles round trip from her home to the University of Montana, where she's studying for a bachelor's degree in applied sciences, with a specialty in labor relations and arbitration mediation.

The honor-roll student now has three semesters behind her. Her classes start as early as 8:30 a.m. and run as late as 9:30 p.m. It means spending a lot of time away from her daughter, Ashley. "She tries real hard to understand," Childress says. It's one of many sacrifices the pair has made since the mill closed.

Childress gets \$700 a month as part of the federal program to put toward bills and support Ashley while attending school full time. She chose school, she says, because it was an old ambition and the Bitterroot Valley lacks decent-paying jobs. "You can't support a family on \$6 per hour," she says.

"All of the sudden, you have no income, and you are without insurance," she says. And things she once could give Ashley - summer camp or an occasional gift - she can't afford.

The school sends home fliers for new books, jackets, ski trips, and there just isn't the money for Ashley to get or do any of those things." One of the toughest decisions as a mother was to sell her daughter's prized possession, a 15-year-old Appaloosa Ashley had intended to show in 4-H. "We couldn't afford to keep him," Childress says.

Some of the best and brightest students in Darby's schools were children of millworkers, school officials say. They were a stable part of Darby's fluctuating student body. The number of new students entering Darby's schools is increasing rapidly. Almost as many students are migrating out of the area. School officials say they added more than 100 new faces to kindergarten through eighth grade this year, but the net enrollment increase was only 20 students.

Kurt Kohn, Darby's K-8 school counselor, guesses some of the families who stayed are living on less because they don't want to uproot children. So far, he says, children of former millworkers appear to be weathering the tough times well emotionally.

At People's market, Darby's only large grocery store, owner Terry Bergen says business slowed when the mill closed. "You just can't eliminate 100 jobs and not have an impact on the community," he says. Partly offsetting the losses, however, is an influx of newcomers. "We're fortunate to be in an area where baby boomers are buying homes and doing things to employ people," he says.

Former millworkers who'd paid off their mortgages when Darby Lumber closed are

managing to survive, he says. They've taken different jobs that pay less but they are still living in the valley. "The young with houses (mortgages) ... they are gone," Bergen says.

"We've been transitioning a long time," says Forest Hayes, mayor of the town of 900 with an outlying population of nearly 5,000. While the loss of Darby Lumber hurts, Hayes says the town will survive. Much of the population now works in jobs unrelated to the timber industry. "That's not to downplay how devastating this can be," Hayes says. "On individual families, it's been extremely devastating."

A diversified economy will be key to the future, he says. "The more legs we get under this economic stool, the more stable it will be," he says. "When Darby was just in wood products, we were a one-legged stool."



Confederated Salish & Kootenai Tribe

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ 6,800 enrolled tribal members; 3,700 live on or near the Flathead Indian Reservation
- ✓ 41% of workforce unemployed; 37% of employed have income below poverty line
- ✓ Timber
- ✓ Local strategy: Confederated Tribes investigating economic models used elsewhere, focus on industrial diversification, improving internet / telecommunications access and transportation infrastructure
- ✓ A Confederated Salish and Kootenai Tribe founded information technology firm was recently awarded a \$325 million contract to serve as the US Air Force logistics coordinator. Of 100 jobs created, 20 will be located on the Reservation

At the time of white exploration and settlement, Native American tribes were nomadic. They changed their residence with the seasons according to the availability of berries, fish and game, including buffalo. Conflict with neighboring tribes usually had to do with control over hunting grounds.

The introduction of the horse and the rifle in the 1700s and early 1800s added a new dimension to intertribal conflicts, and contributed mightily to the decline of the buffalo, the staple of tribal culture. That decline, along with white settlement and governmental decisions, brought the Salish \ Kootenai, and Pend d'Oreilles to the Flathead Reservation, which was established in 1855. Reservation headquarters were established at Pablo (south of Flathead Lake) where they remain today.

In Montana, there are seven reservations representing eleven tribes. Nearly 9% of Montana's land is held in reservations governed by tribal or federal law.

Background

The Flathead Indian Reservation is home to the Confederated Salish and Kootenai Tribes. The tribes consist of a confederation of Salish and Pend d'Oreilles Tribes and the Kootenai as an individual tribe. Of the approximately 6,900 enrolled tribal members, about 3,700 live on or near the reservation.

Historically, the Kootenai lived in the mountains on the western slope of the Continental Divide, while the Salish may have migrated from the Columbia Plateau. The name "Flathead" mistakenly attributed the practice of head flattening to the Salish.

Geography

The Confederated Salish/Flathead and Kootenai Reservation covers 1,244,000 acres in Flathead, Lake, Missoula, and Sanders Counties in western Montana, on the western slope of the Rocky Mountains.

Elevations in the surrounding mountains range as high as 7,000 feet. Ronan, one of several tribal centers, is located at more than 3,000 feet. Flathead Lake is a dominant feature of the reservation, with several communities located along its shores. The climate ranges widely, with only 12 inches of precipitation in the less-mountainous west to more than 100 inches in the east.

Temperatures vary similarly—from below zero in winter to close to 100° in the summer.

Confederated Salish/Flathead & Kootenai Reservation



Human Conditions

The tribes' service population numbers 11,340 with 33% under age 16 and almost 5% over age 65. Tribal statistics state that 73% of tribal members have a high school diploma and 5.5% have a bachelor's degree or higher.

Almost 41%, of the tribes' workforce is unemployed. Of those employed, 37% fall below poverty guidelines.

In 1997, 46.8% of Montana per capita income came from wages and salaries. In the four-county Flathead Reservation area, wages and salary income accounted for an average of just over 43%. In 1997, 19.3% of

statewide incomes and 22% of four county incomes came from transfer payments.

Change in Per Capita Income		
Jurisdiction	1997	Since 1990
Montana	\$19,700	+0.9%
Flathead County	\$20,100	+0.7%
Lake County	\$16,600	+0.6%
Missoula County	\$21,500	+1.8%
Sanders County	\$14,500	+0.1%

According to Census 2000, Montana has 412,633 housing units of all types. Just 3% of these, approximately 12,700 units, are located on the Flathead Reservation.

State/Reservation Population & Housing Units			
Population	1990	2000	Change
Montana	799,065	902,195	+13%
Reservation	21,159	26,172	+24%
Housing Units			
Montana	361,155	412,633	+14%
Reservation	10,399	12,679	+22%

Economic Development

Timber and wood products, agriculture and tourism are important industries. The tribal government is the largest employer.

Spanning four counties, the Salish/Flathead and Kootenai Reservation totals of 749,426 acres. The reservation is home to the National Bison Range and several National Wildlife Reserves as well as to bison, deer, elk, moose, grizzly bear, mountain lion and many kinds of fish and birds.

Camping, hiking, fishing and hunting are popular attractions for residents and visitors alike. Many, but not all, tribal powwows are open to respectful visitors.

In early June 2000, Indian and non-Indian business and government leaders met at the Montana-Wyoming Tribal Economic Development Summit to discuss joint ventures and business partnerships.

Officials commented that collaboration with outside companies is often the most successful way to create new jobs and businesses opportunities on the reservation. Tribal leaders were encouraged to take advantage of the tribal sovereignty to promote and capitalize on opportunities available within the reservation.

Officials are also looking abroad for economic development models, with Alberta providing an example centered on industrial diversification, improving Internet and telecommunications access and improving transportation infrastructure.

A Montana Economic Development Summit organized by U.S. Senator Max Baucus has led to more mini-summits around the state to address specific economic development issues.

Additional Tribal Resources

Salish Kootenai College was one of the first tribal colleges to start a four-year degree program. The Kicking Horse Job Corps Center, near Ronan, is the country's first and only all-Native American Job Corps vocational/technical school.

New Approaches

An information technology firm founded by the Confederated Salish and Kootenai Tribes recently landed a \$325 million contract to serve as an Air Force logistics coordinator for the next eight years. The contract represents Montana's largest-ever federal set-aside. S&K Technologies will track and route equipment from a worldwide network of vendors. The firm will have about 100 employees at five locations in the U.S. with about 20 working on the reservation. The tribal community college—Salish-Kootenai College in Pablo—provides the basic computer skills needed for this type of entry-level employment leading to on-the-job specialized training.



1945 photo: Museum of the Rockies

Wallowa County, Oregon

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ County Population 7,250
- ✓ Mill closures cost 270 jobs, timber harvest down 90%
- ✓ Communities pursuing downtown and industrial site development
- ✓ Local strategy: Enterprise Facilitation program has assisted 87 entrepreneurs
- ✓ An innovative local company, ADC, has developed a dam rebuilding plan that addresses environmental, wildlife, agricultural and infrastructure needs

Background

Wallowa County in the far northeast corner of Oregon is home to the renowned Hell's Canyon, scenic Wallowa Lake and the pristine Eagle Cap Wilderness. Bordered by both Washington and Idaho, the area is often referred to as "the little Switzerland of America."



The county covers more than 3,000 square miles inhabited by just 7,250 residents, nearly

half of whom are scattered throughout the county in unincorporated communities.

The county is rural and isolated. Its largest community, the City of Enterprise, is 75 miles from Interstate 84 on a winding, two-lane highway. The county and its communities are facing constraints with their key infrastructure - water and sewer - and telecommunication service is tenuous. In addition, over 75 percent of the land in the county is owned or managed by federal land management agencies; limiting the option for ranchers, farmers and timber companies.

Declining Natural Resources

The county's traditional economic base of agriculture and timber has been declining and while they have weathered past cyclical changes in these industries, they are no longer experiencing a typical cycle but rather facing a major economic shift.

Once the home of a thriving timber industry, available harvests have fallen dramatically in the past few years. For the past four decades, the average annual harvest from public lands in the Umatilla and Wallowa-Whitman National Forests averaged 55 million board feet; it has now fallen to less than 5 million board feet, a drop of over 90 percent. Timber sales have been restricted by environmental rules, the Endangered Species Act and changing opinion about the uses of public land. In addition, forest health problems have been caused by years of drought and past federal management actions that suppressed wildfires and removed large overstory trees.

The loss of farm and timber jobs has been traumatic. Wallowa County lost more than

270 timber industry jobs over the past 10 years. Another 100 jobs were lost from declining federal government employment, mostly within the U.S. Forest Service. The county had an average unemployment rate of 10.5 percent between 1995 and 1999 when the state unemployment rate during that period was 5.6 percent and national unemployment was at 4.9 percent.

The loss of the county's job base has led individuals and entire families to leave the county. This in turn has further reduced the available skilled workforce, brought about a decline in school enrollment, and results in a loss of local tax revenue available to provide essential public services such as hospital, fire and police.

“The reality of timber industry layoffs does not accommodate family for very long. Sam (Baker) was forced to move to find work in house construction on the west side. Rox Anne (Baker) stayed in Wallowa, their home for 11 years, to care for their children and see what the future holds.”

East Oregonian Newspaper
April 8, 2001

New Strategies

Wallowa County has made efforts and strides in turning the tide. The county's strategic plan was adopted in 1996 and several projects have been implemented since, including a feasibility study for a rural fire protection district and downtown revitalization efforts in the cities of Joseph and Enterprise.

Despite losses in timber jobs, the county continues to have hope for a renewed wood-product industry. In 2000, the Joseph Timber Company invested half a million dollars in a small-log processing facility.

“I think it is a reasonable rise,” said Steve Krieger, principal owner. “I don't think the timber supply is going to completely dry up - you've just got to be willing to move to a smaller diameter log.” Despite this investment, the mill closed in October 2000 due to the unavailability of log supply. They do expect to reopen in mid 2001, but without a stable source of timber their long-term future is uncertain.

As an additional strategy to rejuvenate timber-based economies, the county supports the Blue Mountain Demonstration Area Initiative, launched by the U.S. Forest Service to promote healthy forests and communities by placing environmentally-sensitive logging projects on a fast track. However, the only two logging proposals submitted in 2000 were stalled by appeals filed by environmental groups under the Endangered Species Act. Wallowa County has worked with the Nez Perce Tribe to develop a local watershed-by-watershed recovery plan to show federal agencies that local oversight is sufficient for salmon protection. However, the federal government did not accept the plan as a substitute for its required consultation.

The county has also been working to encourage entrepreneurs to develop smaller businesses employing two or three people. This approach, “Enterprise Facilitation,” has so far assisted 87 business entrepreneurs, resulting in two new businesses, one business expansion and creation of four new jobs. Although the program has had a great deal of support from federal, state and county partners, additional funding is needed for it to continue.

Conclusion

Wallowa County is a rural community facing a multitude of challenges. Leaders and residents are willing to try new ways of diversifying their economy and include a wide variety of stakeholders and partners in the efforts. But more assistance is needed to help them.

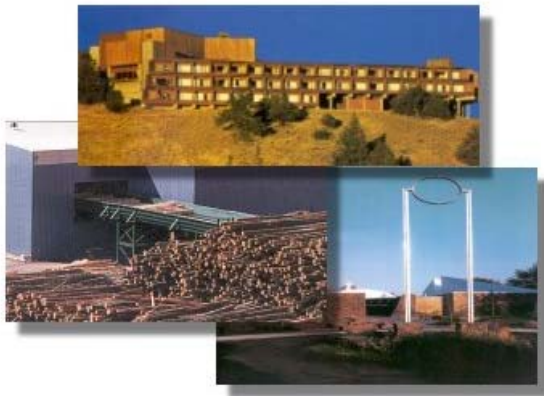


Warm Springs

A Case Study For The Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ Population 4,000
- ✓ 60 jobs lost due to timber harvest reductions
- ✓ 31% reduction in per capita income from 1994-1998
- ✓ Economic Development Strategies include establishment of a second casino and a business-development corporation
- ✓ Hydropower remains a steady source of income



The Confederated Tribes of the Warm Springs Reservation govern approximately 640,000 acres in north central Oregon State. Situated between the Cascade Crest and the Deschutes River it includes the southwest corner of Wasco County and the northwest corner of Jefferson County. The reservation is home to about 4,000 people, mostly members of the

Guarding our sovereignty and preserving our culture continues to be an ongoing matter for our Tribes.

The People's Plan

tribes. Except for the narrow valley carved by the Deschutes River, the terrain is dry, high desert sliced by steep canyons. The Reservation is located just north of the state's fastest growing region where outdoor recreation, second home development, and a burgeoning technology sector are attracting new residents.

Sustainable resource management is nothing new to the people of Warm Springs. Honoring the land and the gifts it bears are central to the cultural identity of the Tribes. Prior to European settlement, the Warm Springs and Wasco Tribes occupied some 10 million acres of what is now north central Oregon. The association between people and land was based on stewardship and sustainable use of resources. Salmon and salmon fishing were major components of the Warm Springs and Wasco economies and cultures.

Nineteenth century settlers brought with them opportunities for trade, a fundamentally different approach to land use, and diseases that would kill many of the native people. Tribal culture in general suffered from US policies for many decades. In 1855, the Warm Springs and Wasco

Tribes entered into a treaty with the United States Federal Government, ceding direct control over most of the territory that they had inhabited from time immemorial while retaining exclusive use of the Reservation as

Today, we are very concerned about the adequate protection and use of habitats, places of significance, traditional use areas, and especially our sacred sites.

The People's Plan

well as certain rights in the ceded territories. Between 1879 and 1884 members of the Paiute Tribe that had occupied what is now Central and Southeastern Oregon were also settled on the Warm Springs Reservation.

In 1937, the three tribes organized as the Confederated Tribes of the Warm Springs Reservation of Oregon, by adopting a constitution and bylaws for tribal government. The Tribes manage a complexity of roles far greater than the typical American community of 4,000 people. Tribe members are citizens of the Tribes, the United States, and the State of Oregon. The Confederated Tribes are a sovereign nation, in many ways equal to the United States government with which they entered into and maintain a treaty relationship. They interact with federal, state, local, and regional government entities both as an equal or peer and as a member or constituent. The Tribes provide the services of local governments, development agencies, and non-profit organizations—from police services to housing and health care. Further, the Tribes' own almost all the land and resources within their boundaries and operate a variety of businesses.

Economic Development Challenges

The Tribes face many of the same difficulties experienced by other Columbia basin communities, including seasonal employment and high unemployment (17% in summer, 35% in winter). Like other basin communities, the Tribes' economy has been heavily natural-resource dependent, and they are diversifying while also adapting, changing, and further developing resource-based activities.

Tribal ownership of land has repercussions in the realms of business financing, land development, and home ownership. There is very little privately owned business on the reservation. The situation is complicated by Bureau of Indian Affairs (BIA) regulations

that guide residential and commercial development opportunities. The community's dispersed population complicates development of physical infrastructure. Tribal leaders see the under-developed private sector and the lack of infrastructure (both physical and legal) as challenges.

Because the Tribes are both the chief land-owner and major employer in the community, reduced income from resource-based business affects both tribal government and Tribe-owned businesses. Between 1988 and 1996, timber receipts dropped by 23%, resulting in reductions in both workforce and operating budgets. Reductions in timber harvest and market changes resulted in loss of 60 jobs (about 6% of the workforce) in February 2001, and there is talk of additional layoffs this summer. Overall, Tribal revenue has dropped from \$10,851 per capita in 1994 to \$7,495 per capita by 1998.

Economic challenges are compounded by social issues. Education levels in the community are low and substance abuse, crime, and gangs are all major problems. Median incomes on the Warm Springs reservation are the lowest in Central Oregon— 84% of the median in Jefferson County and 73% of the median for the region.

Percentage of adults over 25 who have not completed high school or earned a GED

The Confederated Tribes.....	19%
Jefferson County	13%
Region	8%

Percentage of incomes below the poverty level

The Confederated Tribes.....	30%
Jefferson County	15%
Region	10%

Susan Guerin's story illustrates the social challenges tribe members face. Susan's grandfather spent most of his childhood in an Indian boarding school where the children and their culture were demeaned. At 13 he ran away and went to work as a logger. The work was dangerous and demanding, and the boy was forced to live and work like a man. "If he didn't do well, they would send him back to school—like being sent back to prison." He also learned to drink like a man, using alcohol to escape his memories. Although he is now a Christian and recovering alcoholic, his son and grandchildren still suffer from the legacy of his substance abuse and anger. Susan has consciously worked to overcome the family legacy. She is a gymnastics coach and is committed to raising and supporting the self-esteem of young people. She is working on a BA and intends to go on to graduate school; she is active in tribal politics, following a path she associates with her grandmother. "I felt the hurt and wanted it to change for the future. The past hurt doesn't equal future hurt."

Community and Economic Development Strategies

Warm Springs has adopted both a comprehensive plan (The People's Plan) and an economic development strategic plan for the years 2000-2020. The People's Plan reflects a community benchmarking process and lists benchmarks relating to people and sovereignty, cultural assets, and economy and money. Goals include "We preserve, protect and enhance our cultural, environmental and natural resources" and "Our growing economy meets the income, employment and business needs of our community."

The economic development strategic plan was written to be consistent with *The People's Plan* and to reflect current priorities. It includes four major focus areas: tourism and

travel, industrial recruitment/expansion, commercial and retail development, and tribal business investment. The plan highlights the importance of total community development, in which social, political, natural, and economic environments are integrated.

The Tribes' economic development strategies include:

- Continued co-operation of the Pelton-Round Butte Hydroelectric system to ensure both ongoing revenues and control over resources.
- Establishment of a second casino, probably at a site along the Columbia River near Hood River.
- Development and exploration of additional business opportunities. Examples include expanded diatomaceous earth fire retardant building products and essential oil extraction and marketing. The latter concept has evolved to include extraction of oils from waste produced by the Tribes' logging operations, and use of the residues from oil extraction to help fuel the tribal mill's power plant, so resources are used as fully as possible.
- Formation of a business-development corporation, to facilitate quick, effective responses to new business opportunities.
- Development of legal infrastructure for business is underway; a secured transaction code and limited liability company policy have been adopted.

The Tribes have identified, but not yet been able to implement, a number of planning projects to address components of the strategic plan and infrastructure needs identified under the "Economic Development Challenges" heading. They include needs such as a legal infrastructure plan, a telecom strategic plan, and a priority capital projects plan.

Resources, Players, and Partnerships

The Tribes' 1937 constitution established an 11-member council to oversee all tribal operations. The council includes the 3 tribal district chiefs and 8 members elected by the residents of their districts (2 Seekseequa south, 3 Warm Springs central, 3 Simnasho north). Tribal government also includes a General Council composed of all adult Tribe members. The councils play a substantial role in economic development because of the government's position as landowner and owner and operator of most of the community's business enterprises. In 1938 the Tribes formally accepted a corporate charter from the United States for their business endeavors. Warm Springs established a Small Business Development Center (SBDC) in 1992. The Center's offerings include a grant program for Tribe members.

We...demonstrate a readiness and ability to plan for our future that becomes stronger every year.
The People's Plan

Warm Springs is an actively-involved member of the Lower John Day Regional Partnership/Regional Investment Board and the Central Oregon Community Investment Board (COCIB) and a charter member of Economic Development for Central Oregon (EDCO). Sal Sahme, the Director of the Tribes' Business and Economic Development Department was recently appointed an ex-officio member of the Central Oregon Intergovernmental Council's Board of Directors.

The Tribes maintain longstanding partnerships with numerous agencies and other organizations. Some result in funding support; the Tribes receive \$15-20 million annually in federal and state grants. Partnerships support economic and community development and social and environmental goals.

Successes

The scale of Warm Springs' successes is out of proportion to the community's size. Tribal businesses include Warm Springs Forest Products, Warm Springs Power Enterprise, Warm Springs Composite Products, Kah-Nee-Ta Hot Springs Resort and Convention Center, Indian Head Gaming Center, and many other enterprises. The enterprises provide both jobs and revenue for tribal operations. In addition, the Tribes have established facilities such as a Health and Wellness Center and The Museum at Warm Springs, negotiated water and fishing rights with the state as a sovereign nation, and secured grant funding for economic and infrastructure development projects. Tribe members will vote in an upcoming referendum on an agreement with the Jefferson County School District to build an elementary school on the Reservation.

While timber revenues have fallen in recent years, hydropower remains a steady source of income, and is likely to remain so. The Tribes are currently involved in a re-licensing process that will establish a framework for hydropower operations over the next 50 years.

By wisely using our inherent sovereignty and federal authority, the Confederated Tribes have made significant progress in managing the reservation's resources
The People's Plan

The Tribes' small business development center has contributed to the success of enterprises ranging in size from cottage industries that provide the family with a second income to operations with substantial capital and workforce investments.

Pinky Beymer and her husband began a small excavation business, Chilkat Enterprise, in 1989. Starting with one employee, they grew

Unlike past Comprehensive Plans, we have not relied upon CH2M Hill or some other large consulting organization [to develop The People's Plan]. This has resulted in a Plan that is more reflective of our community
The People's Plan

to a peak of 56. The shrinking timber industry, decreases in construction in western Oregon and recently in central Oregon, and changes in Tribal construction programs and policies have reduced the work available and made the market much more competitive. An SBDC grant leveraging a tribal loan has allowed them to restructure debt and purchase new equipment to remain viable and able to compete in the changing marketplace. Mrs. Beymer is committed to supporting the health of her community by hiring reservation residents and maintaining a stable workforce and a drug-free workplace.

The Tribes encourage education and provide support through an excellent scholarship program and trust fund. The last few years have seen an increase in the number of tribe members pursuing higher education.

Lessons Learned

Community involvement is very important in Warm Springs, especially when a project has significant environmental, social, and cultural impacts. When Tribe members are sought out and involved in decision-making, elected officials will get behind projects, a champion will emerge, and projects will move forward. If the community is not involved, it is difficult to "sell" the project.

The process of community involvement is time consuming, which can be problematic when business opportunities require quick response. The Tribes are in the process of establishing an economic development cor-

poration to create new businesses and joint ventures. It will be able to respond to opportunities more quickly than Tribal government.

Conclusion

Warm Springs has well-developed mechanisms for planning and funding projects, a rapidly evolving framework for economic development, and the ability to negotiate complex and sophisticated agreements. The Tribes' capacity is tempered by resource, market, and social challenges. The community has faced those challenges head on, and is actively seeking the resources to address identified needs in the context of its unique cultural identity.

Colville Confederated Tribes

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ 12 bands comprising 8,700 persons
- ✓ Reservation resides on 1.4 million acres
- ✓ Unemployment on Reservation: 45%
- ✓ Local strategy: The Tribe maximizes timber resources, with operations covering forest health, harvest, transport, sales, lumber production, treatment and manufacturing
- ✓ The Confederated Tribal Services Corporation – a general contracting / construction firm – has been awarded projects throughout Washington, earning revenues of \$1.6 million in 2000.

Background

Approximately 8,700 persons of the Wenatchee, Nespelem, Moses-Columbia, Methow, Colville, Okanogan, Palus, San Poil, Entiat, Chelan, Nez Perce, and Lake tribes comprise the 12 bands that make up the Confederated Tribes of the Colville Reservation, a federally recognized American Indian Tribe.

The ancestors of the Confederated Tribes were nomads – they moved with the seasons to locations where salmon were running or the berries were ripe.

In the mid-19th century, conflict between Native Americans and white settlers focused on restricting Indians to reservations. A series of treaties opened northern Washington to white settlement until the Colville Reservation was established by Executive Order in 1872. Later the same year, the reservation was shifted to the west bank of the Columbia River.

Colville Reservation Counties (2000)

	Ferry	Okanogan
Total Population	7,260	39,564
Amer. Indian/ Alaska Native	1,327	4,537
% of County	18.3%	11.5%

The original reservation contained substantially more land and rich mineral deposits. These were excluded from the area ultimately assigned – further reduced in size over the years by Congressional action. The reservation now occupies approximately 1.4 million acres.

Today, the Colville reservation consists of land held in trust for the Confederation, for individual tribal members, and land owned by others – some used for farming. The policy of the Tribe's Colville Business Council is to purchase lands that are for sale within the reservation's boundary.

An elected and salaried board of tribal members – the Colville Business Council – governs the Confederated Tribes of the Colville Reservation. For purposes of governance, the reservation is divided into four districts. From west to east, these are the Omak, Nespelem, Keller, and Inchelium Districts.

Geography

The Colville reservation is located in eastern Washington's Okanogan Highlands and occupies the southeastern portion of Okanogan County and the southern half of Ferry County. Both counties form part of the U.S. boundary with Canada.

The reservation has an average elevation of more than 3,000 feet, with the land sloping up from south to north. This is Washington

State's dry side, with cold winters (commonly -10° to -20°) and hot summers (sometimes 100°). Snow is common at higher elevations.

Portions of the reservation are covered with stands of ponderosa pine, Douglas fir, lodge pole pine, and western larch. Berries and roots can be found in grassland areas and are historically important to the way of life of the Colville Confederated tribes. Deer, elk, bird hunting and fishing still play a part in tribal life, with tribal members managing elk, fish and game and predatory bird populations.

In 1999 – for the second year in a row – the tribe covered most of the operating costs of the Colville Fish Hatchery operated by Washington's Fish and Wildlife Department. About 735,000 rainbow and cutthroat trout are raised at the hatchery every year. Funds came from the tribes' gaming operations.

Human Conditions

According to the 2000 Census, persons of American Indian (or Alaska Native) background make up 18.3% of Ferry County's population and 11.5% of Okanogan County, and are the most predominant non-white ethnic group. According to the Bureau of Indian Affairs (BIA), fully 50% of Colville Agency service population is under 16. Just 14% is over age 65.

Unemployment is substantially higher in both Ferry and Okanogan Counties than unemployment in Washington and the nation. As of October 2000, the seasonally unadjusted unemployment rate in Ferry County was 9.4% – more than twice as high as the 4.4% state rate and more than two and a half times higher than the U.S. rate. Unemployment in Okanogan County was at 7.0% – one and a half times the state rate and almost twice the national rate. In both counties, persons living below the poverty level total approximately 19% – about twice the national level.

BIA information indicates 8,442 persons enrolled in the Confederated Tribes of the Colville. Approximately 3,420 persons are employed – only 55% of those available for work, making for a reservation unemployment rate of 45%. Of this number, 4% are employed, but still fall below poverty guidelines.

Between 1990-97, per capita income declined by 0.3% in Ferry County, but increased by nearly 1% in Okanogan County. For Washington as a whole, income increased 1.4% for the same period.

In Ferry County, wages accounted for 42.5% of income – a 5.9% decline, while transfer payments accounted for 29.2% of income, an 8.6% increase. In Okanogan County, wages and salaries accounted for 44.5% of income (a 1.0% decline) and transfer payments rose 2.9%, to 25.3% of income.

Leading causes of death among the Native Americans on the reservation include heart disease, cancer, motor vehicle accidents, stroke, and liver disease.

Economic Development

Natural Resources

Issues surrounding natural resources management for the Colville Confederated Tribes include what forms production might take; sustenance of the resource base for the future; maintaining and building a quality of life based on tribal traditions, culture, environment and economy; and creating an environment where members of the tribes can work together to develop an innovative resources management approach.

1997 Employment by Selected Sectors	Ferry	Okanogan
Agriculture	7.3%	18.4%
Forest Products	10.5%	5.9%
Mining	9.7%	0.3%
Selected Natural Resources	27.5%	24.6%

Timber

The tribes' timber operation takes wood all the way from the forest to finished lumber. Colville Tribal Logging is responsible for maintaining the health of tribal forests, selecting timber for cutting and transporting wood harvests. The Colville Timber Resource Company harvests and sells the cut timber. Colville Indian Precision Pine turns ponderosa pine and Douglas fir logs into high-quality lumber. The tribe also maintains a wood treatment plant that manufactures posts and poles.

“Because of strong cultural ties to the land and people, Indians will not move from the reservation simply due to downturns in the local economy.”

Colville Tribes Overall Economic Development Program

Recreation & Tourism

While timber may be traditional, the Colville Tribal Enterprise Corporation provides oversight for entrepreneurial enterprises run on tribal lands.

These include Roosevelt Recreational Enterprises based at Roosevelt Lake on the Columbia River. At Keller Ferry and Seven Bays Marinas, visitors can rent houseboats to cruise 630 miles of river shoreline. The Tribe also operates Rainbow Beach Resort with vacation cabin, RV space and boat rentals.

Three casinos run by Colville Tribal Enterprises at Mill Bay, Coulee Dam and Okanogan offer gaming, food, and entertainment.

Additional Tribal Resources

Colville Tribal Enterprise Corporation runs Colville Tribal Credit, which provides financial services to tribal members and offers assistance to small businesses and housing

support. The Colville Tribe also operates a number of health programs. These include walk-in clinics in three tribal districts, a convalescent center, and a senior center.

“There’s no limit to what we can do given the Tribe’s backing.”

Pat Toulou, chairman, Confederated Tribal Services Corp. and Colville Tribe Member

Future Priorities

In the Tribe's current Overall Economic Development Program, affordable housing, education and training are top priorities for all four tribal districts. Other economic development priorities include small business, wood products, and light industrial development along with development of an industrial park.

New Approaches

The Confederated Tribal Services Corporation's general contracting operation constructs buildings and roads as far away as Bremerton on Washington's Puget Sound. This tribal corporation, certified by the Small Business Administration, had revenues of \$1.6 million in 2000 and received the Army Corps of Engineers "Contractor of the Year" award for work on Columbia River fishing accesses.

There is also a tribally sponsored and IBEW-sanctioned training program for those interested in becoming journeymen electricians. The training program got started because trained journeymen did not exist on the reservation.

Tribal leaders believe that money spent in reservation communities not only provides jobs but also improves the community by adding facilities and infrastructure.

Curlew and Ferry County, Washington

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ County Population 7,300; Curlew 140
- ✓ 250+ forestry, mining and lumber manufacturing jobs lost over 10 years
- ✓ 1 of 2 remaining mills in serious jeopardy due to loss of federal timber supply
- ✓ Local strategy: Town of Curlew has erected an amphitheatre to host bluegrass festival and other events; draw visitors
- ✓ Curlew Water District, with help from WA-CERT sponsored symposium, has leveraged funding and technical assistance necessary to complete \$850,000 water system improvement project

Background

Curlew is located in Ferry County, Washington, in the northeastern portion of the State – just 10 miles south of the Canadian border. Approximately 85% of the County is forested, and the Colville Confederated Tribes Reservation accounts for nearly half of the area.

The modern history of Ferry County started in the 1850s. Washington Territory had been established in 1853, and four years later, gold was discovered at Rock Creek just north of the U.S.-Canadian border. Trails to Rock Creek cut across the rich interior valleys of the Kettle River and Curlew Creek, and the traveling prospectors had a chance to admire Ferry County for the first time.

Ferry County

County Seat: Republic

Area: 2,202 square miles

Total Population: 7,300

White: 81%

Native American: 18%

Other: 1%

Cities:

Republic: 1,040

Unincorporated Communities:

Danville

Keller

Inchelium

Orient

Curlew

Employment / Wages:

Government: 38% / 36%

Services: 15% / 10%

Mining: 14% / 29%

Retail/Trade: 14% / 6%

Manufacturing: 11% / 14%

Other: 8% / 5%

Employment Security Department, 1998.

As the county filled with newcomers, land ownership became a problem. A large tract of land, mostly mountainous and including all of modern Ferry County, was set aside as the Colville Indian Reservation. In 1893 and 1894 the first government surveyors passed



though Ferry County, establishing the Range and Township boundaries and setting the stage for the greatest “boom” in the county’s history.

In February of 1896, the “North Half” of the Colville Indian Reservation, including the northern half of Ferry County, was opened for the staking of mining claims. The first claim was staked on Eureka Creek, just north of the present town of Republic. By spring there were 64 men in the Eureka Camp and the gold rush was on. Gold seekers poured into the thriving tent town from all directions.

The “rush” lasted until roughly 1900 and produced notable changes. Eureka changed its name to Republic in honor of one of its largest mines, and acquired a post office. 1898 saw Republic’s first streets and lots platted, and in the space of two months of that same year, the town’s population increased by 2,000 people. Drinking water sold for 25 cents a barrel from a horse drawn wagon, and public policy decisions were made at a mass meeting of miners.

Other small mining towns sprang up. Some – like Curlew, Orient and Keller – still survive. The turn of the century saw more changes. Logging on the Colville Reservation had been stringently controlled, but in 1900 restrictions were lifted and small sawmills were soon in operation up almost every creek. The “North Half” was opened for homesteading the same year and development of the county spread.

Industry

The main industries in Ferry County today are mining, logging, lumber production and ranching. All of these industries are in decline. The remaining active mining company is closing one of its two mines. There are only two large lumber mills. One mill, which provided employment for three generations, has had its number of workers

cut to less than half. Changes in cutting practices have drastically reduced the annual harvest in the National Forests.

Forestry, mining and lumber manufacturing have been the traditional source of family wage jobs in the county. Until recently, the 506 jobs (27% of all jobs) generated by those industries used to account for 44% of all wages in the county. Today, fewer than half of those jobs still exist.



Ranching constitutes another challenged industry. The cattle industry is substantial here, but with aging ranchers and more and more subdivisions, ranching is on the decline too. In 1992, the County had the state’s highest median age for farmers – at 57.9 years old. The County also rated first in the size of farms, but with only 193 farms, ranked only 33rd out of 39 counties in total farms.

The Curlew Challenge

Curlew is an unincorporated community of about 140 people. The Curlew Water District is the entity responsible for providing the community’s drinking water. The District serves 35 residential connections, the school (with 250 students) and twelve business connections. The water system was started in the 1920s and has been repaired and extended since. Many of the iron pipes have rusted and repair is a constant activity. Currently, about one third of the water pumped is consumed,

the rest flows back into the Kettle River through leaks.

Recently, it was determined that the current system poses two major health concerns. First, the two existing wells experience occasional flooding from surface runoff generated by Curlew Creek. Second, both wells appear to be vulnerable to runoff contaminants from upgradient cattle corrals.

The Curlew Solution

In 2000, the Curlew Water District was invited to attend the WA-CERT Symposium put on by the Washington Community Economic Revitalization Team. During the four-day meeting the Curlew Team was able to concentrate on finding a solution to their problems. They met with various funding agencies and state agencies. By the end of Symposium, The District had expanded a \$147,000 grant into \$350,000.

Moreover, the community had established clear steps for proceeding with the transfer of water rights to new wells, final design and construction. All of those steps have since been accomplished. Two new wells have been drilled and produce both a high quantity and high quality of water. An additional loan has been approved by USDA Rural Development, and with the addition of grant funding, the \$850,000 water system improvement project can now be completed before winter.

Without the assistance of the WA-CERT program, and the resulting cooperation of state and federal agencies, implementing a project such as this in Curlew would have been next to impossible. As a corollary benefit of having participated in the WA-CERT symposium, community leaders are now better-equipped to move other projects ahead, and know they have resources available.

The Future

Curlew recently completed work on a new community amphitheater. The amphitheater will play host to an annual bluegrass music festival, beginning summer of 2001. It is anticipated that events such as this one will bring more people to the community and help stimulate the local economy. And hopefully, with continued outside assistance and support, the town will effectively grow new economic bases, and remain a place people are proud to call home.



Kittitas County, Washington

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ County Population 33,000; Ellensburg 14,340
- ✓ Recent droughts and escalating land costs have reduced agricultural production, limited expansion – resulting in impacts to entire business community
- ✓ Local strategy: The City of Ellensburg recently purchased 700 acres of land, with approximately 100 acres slated for use by industrial and manufacturing businesses
- ✓ A local economic development entity, Phoenix Economic Development Group, has initiated a business incubator which could host as many as 900 jobs by 2015

Background

Kittitas County is located 100 miles east of Seattle through the Cascade Range in the geographical center of the state. It is ideally situated at the crossroads of two of the Northwest's major interstate highways: I-90 and I-82. These thoroughfares connect Kittitas County with Seattle and the Puget Sound area, Spokane and the Tri-Cities (at the County's western boundary), and the rest of the scenic Pacific Northwest. Kittitas County is bounded on the north by Chelan County and on the south by Yakima County. The Pacific Crest Trail in the Cascade Range forms its boundary to the east with King County.

The County has a population of approximately 33,000. Ellensburg is the county seat and, with 14,340 residents, the most populous city.



Kittitas County comprises 1,481,600 acres. Over half of the county consists of timbered mountainous land, and one-third is steep, rough, broken land usually in association with shallow soil with rock outcrops and scabland suitable only for grazing. Many of the 2,308 square miles of the Kittitas Valley are wide, open spaces associated with the beauty of Central Washington. The topography varies from the ruggedly forested Alpine Lakes Wilderness of Wenatchee National Forest in the Cascade Mountains and Snoqualmie National Forest, to the Columbia River.

History

The term "Kittitas" has been said to mean land of plenty. Historically, the Kittitas Valley was one of only a handful of valleys in the state where tribes could dig for roots such as camas and kouse, both of which were staples in the Indian diet.

In the early 1860s, the first white settlers began arriving in the Kittitas Valley, finding it a suitable place to conduct livestock raising, crop farming, dairying, logging, lumber processing, and mining. By the 1960s, the number of Kittitas County cattle had more than doubled, to approximately 70,000 head. Price controls and rising feed costs in the early 1970s, however, prompted

many ranchers to change from cattle to hay and grain production – which has been an important local crop since the 1800s.

The county's logging and lumber industries were established in the early 1870s, fueled primarily by two factors: in-migration of settlers who needed lumber to build homes, and railroads.

In the early 1880s, coal and mineral activities got underway in the Cle Elum River Valley and surrounding mountains. Coal was first discovered by homesteaders in 1883. By the turn of the century, several large coal concerns were mining in excess of a million tons of coal annually. Production peaked in the 1920s and subsided in the face of competition from oil in the 1930s.

Even before the discovery of coal, prospectors flocked to the region searching for precious metals and ores. Efforts centered around gold, but silver, copper, lead, iron, chromium, mercury, manganese, molybdenum, nickel, and antimony were also present.

Mining activity continued at this accelerated pace until its peak during the 1930s. Interest in reopening mines has surfaced periodically since that time. Some gravel surface mining is operational today on private lands and permits are being issued by the National Forest Service for exploratory precious metal mining.

Present

Today, timothy hay is the largest single cash crop in Kittitas County, grown commercially by an estimated 200-250 farmers on between 25,000 to 30,000 acres of land. The top quality hay goes to the Japanese race horse industry, and lesser quality hay traditionally is purchased by Japanese dairies. The timothy hay industry in the county is

estimated to have an annual value of more than \$30 million.

Fruit orchards provide another healthy cash crop, as technology continues to create hardy and flavorful new varieties of apples and pears. Export opportunities for these crops have continued to expand.

Many Kittitas County farms and ranches are operated by second and third generation families whose ties go back to the early settlers.



For the last 110 years, Ellensburg has also been home to Central Washington University. From its beginnings as a state normal school to prepare public school teachers, CWU has grown to an institution that serves over 8,500 resident and commuter students on the Ellensburg campus.

One of the state's three regional universities, CWU prepares students for bachelor and master degrees in arts, sciences, business and economics, and professional studies. CWU's continuing education department works with area businesses, schools and interest groups to design workshops.

CWU's conference center attracts over 20,000 visitors a year to the campus and Ellensburg for meetings, conferences, and camps. Many of the high school students who attend one of the competitions or music, academic or sports camps throughout the year choose to return to Central for their college education.

CWU music, art and drama departments provide a rich variety of entertainment. Nationally recognized speakers on thought-provoking topics round out the menu of activities and events available to the entire community.

Economic Growth

Like most rural communities in the Inland Northwest, Kittitas County is attempting to diversify its economic base. In the past, agriculture-related impacts have spread throughout the community. During the drought of 1994, for example, farmers were forced to drastically cut back on the number of production acres. The loss of disposable income resulted in decreased activity for local businesses.

“Rural communities are geared to meet the needs of agricultural operations and farm families. If farmers are not spending money, that means they are not going to spend money in their community.”

Dean Boyer, Washington State Farm Bureau
Ellensburg Daily Record

The escalating cost of farmland has posed another type of agriculture-related challenge, as increasing prices reduce the economic feasibility of expanding production.

However, innovation has provided a potential solution in at least one case. The Haberman family of Ellensburg has

developed a new hay processing technique. “Number 9 Hay Processing,” a technique used by the Haberman family on its 1,000-acre Number 9 Ranch, is a wrapping process that facilitates the mixing of hay with other feeds in order to develop a complete livestock rotation. The process can be applied to any size bale and is said to greatly reduce waste and potential for wire contamination since bales are wrapped in a plastic sleeve. The technique has been very popular among customers who want their product processed before shipping, and the Habermans are considering expanding the practice.

On another front, a local business development group has begun the first phase of a project to attract light industry to the Kittitas County Airport. Proposed development at the Airport site could lead to the creation of as many as 900 jobs by 2015. The Phoenix Economic Development Group, a local non-profit business development group funded by monies from the Washington Office of Trade and Economic Development and Old Growth Diversification Funds, says a few businesses have already agreed to occupy space in the building. The group is hoping high tech, processing and manufacturing businesses will be attracted to the area based on the affordable industrial land costs. Space in the future building is expected to start at 38 cents per square foot.

The City of Ellensburg is also making strides to generate economic diversification. Recently, the City purchased 700 acres of land – known as the “Williams Property.” Approximately 100 acres of this property will be rezoned to accommodate industrial and manufacturing businesses. Some of the remaining property will be used for flood control purposes, and an additional 78 acres

will be used to provide new soccer and baseball fields.

To effectively fill and utilize this property, Ellensburg must extend services, including power and water. The City will also need state and federal partnerships to help navigate and streamline permitting processes. If successful, the community will have made important progress toward its goal of creating jobs and diversifying its economic base.

Stevenson, Washington

A Case Study for the Inland Northwest Economic Adjustment Strategy

Highlights

- ✓ County Population 9,900; Stevenson 1,200
- ✓ 97% of County land base under federal or state land ownership – federal policy decisions including harvest restrictions, Endangered Species Act and the Columbia River Gorge National Scenic Area Act have limited local access to resource base
- ✓ Timber harvest dropped from 270 million board feet in 1989, to 56 mbf in 1999
- ✓ Local strategy: Tourism has been successful, based on scenic natural setting – the Skamania Lodge, built in 1993, employs more than 300 people and attracts visitors year-round
- ✓ Light industrial diversification led by Port adding new jobs to economic base

Background

The City of Stevenson, located in southwest Washington State, serves as the county seat of Skamania County. The Columbia River forms the city and county's southern border and the Cascade Mountains neatly divide the county into two very diverse halves. Clark and Cowlitz Counties bound the county on the west and Klickitat and Yakima counties form the eastern border.

The major route is State Highway 14, which connects Stevenson to the Vancouver metropolitan area. Alternatively, there is easy access to the Interstate 84 freeway just across the Columbia River in Oregon.

Burlington Northern Santa Fe Railroad serves the county's freight needs.

Skamania County

Population	1990	2000
County	8,289	9,900
Stevenson	1,147	1,200
Median Household Income	\$29,041	\$38,915
Median Home Price	\$49,470	\$110,000

Seventy-eight percent of the county land base (which totals 1,672 sq. miles) is under Gifford Pinchot National Forest ownership, including the Mount St. Helens National Volcanic Monument. The majority of private land lies along the southern portion of the county, with over 50% of this area lying within the Columbia River Gorge National Scenic Area's jurisdiction. There are only two incorporated cities within the county – Stevenson and North Bonneville.

This area played a key role in the early exploration and settling of the Pacific Northwest due to its location along the Columbia River where the river cuts through the Cascade Mountains. Both the area's Indians and early settlers profited from the portage facilities serving the Lower Cascade Rapids, collecting healthy tolls from river travelers. Later, entrepreneurs benefited from the sale of wood to fuel hungry steamboats and steam-driven trains carrying anxious miners to the Idaho gold fields. Residents in the 20th century built canneries and fishwheels along the river's banks to sell millions of pounds of salmon to the world's tables. At the end of World War II, the logging industry exploded as it cut timber from private and public forests to provide lumber to feed the suburban building boom.

Historically, Skamania County's economy has been dependent on natural resources, and the local economy has fluctuated wildly to adapt to market conditions. Local businesses were forced to develop a certain resilience to deal with these ups and downs.

Transition

All of this changed in the late 1980s. The economies of Skamania County had always depended on the area's rich natural resource base. Nearly all of this resource base (97%) is under federal and state ownership. Beginning in the 1980s, major changes in federal and state natural resource management policies radically altered access to these resources.

- In 1986 the Columbia River National Scenic Act placed large portions of the remaining private ownership along the fringe of the Columbia River under strict federally-mandated land use regulations. The Act limited land use practices and altered economic opportunities by confining economic development to Skamania County's one city (Stevenson) and a handful of urban areas.
- Harvest restrictions on federally owned timber land crippled the area's once booming forest products economy, resulting in mill closures, business failures and a shrinkage in employment opportunities.
- The Endangered Species Act further hampered logging activities on State and private forestlands and challenged other economic uses of lands along rich fish-bearing streams and rivers.

The economic impact of these natural resource policy decisions was immediate.

Fortunately, the County had access to a group of active local leaders, many of them professional resource managers. Working closely in State and Federal natural resource management positions, they foresaw the stream of policy changes and economic implications of these management policies.

Together with other local business and local government leadership, the County formed a community team, called "Thrive," to address the need for change not only in the economic sector, but also in schools, government, and social institutions. The group identified a series of actions items, and fostered a sense of community cooperation that has molded subsequent activities.

The first step was to form the Skamania County Economic Development Council. The Council was charged with coordinating economic development efforts and assisting the Port in its industrial development strategies. The second step was to build and strengthen the local Chamber of Commerce, and focus its attention on the tourism sector.

Under this combined leadership, and following the mission statements and goals adopted by the Thrive Committee, Skamania County began to address its needs.

Tourism

Seizing on opportunities created by its natural setting, the community first focused on developing the tourism economy. Local studies had identified that a destination resort and conference center would successfully stimulate the local tourism trade. Together, the County, City and private business formed unique public-private partnerships that built Skamania Lodge and Conference Center, which opened its doors in 1993.



Today, employing more than 320 people, it is the largest private employer in the county and has contributed to some resurgence in the local retail economy. A second resort in Skamania County's other city, North Bonneville, is nearing completion, and several smaller inns have opened their doors throughout the area. Each facility has had to target a particular sector in the tourism market and develop its own unique market strategy.

Under Chamber leadership, the tourism sector continues to expand and diversify. The abundant natural resources of Skamania County continue to provide the backbone for the area's tourism appeal. The community has taken advantage of the growing urban populations in Portland/Vancouver and uses the National Scenic Area Act in its marketing campaigns. One unexpected benefit of the burgeoning tourism trade has been that a number of young entrepreneurs on recreational visits have chosen to return to open local businesses.

Employment Characteristics		
Employment by Sector	<u>1990</u>	<u>2000</u>
Construction	70	100
Lumber/Wood Products	485	160
Non-Wood Manufacturing	90	160
Transp/Comm/Utilities	40	40
Retail Trade	170	250
Services	130	480
Government	910	890
Finance, Insurance, Real Estate	20	40
% Working Out of County	<u>1990</u> 39%	<u>2000</u> 54%

Timber

Despite the losses in timber resource availability and timber jobs, the wood products industry remains a viable economic sector. The single remaining operating mill continues to invest in new technology, responding to both a changing market place and changing raw material supply.

Timber Harvest

Total Harvest*	
1989	269.6
1990	234.5
1991	198.8
1992	124.1
1993	110.9
1994	94.7
1995	48.8
1996	35.9
1997	55.0
1998	64.8
1999	56.6

Million board feet.
Federal and private.

Currently the mill owners are planning on putting co-generation plants on line and developing improved means of using a smaller log. The private owner has partnered with public entities to ensure deep-water barge access for imported logs, to improve road access to the mill, and increase employment opportunities.

Politically, City and County leadership is promoting the need to protect the health of forests and develop sustainable logging practices. The leadership in the community has recognized the need to educate the public about the importance of sustained yields and managing forests for multiple benefits. The community was unique in welcoming rather than turning away an application to construct a canopy crane research project within the County. Currently, community leadership is

continuing to seek other natural resource based research opportunities for the area.

ways to manage its natural resource base for a sustainable future.

Light Industrial Diversification

The Skamania County Port District has taken the lead in diversifying the light industrial base. Critical to its progress is the need to acquire additional land in an area where private land is at a premium. A second challenge has been to assure that adequate infrastructure will be available.

The Port targets small companies with five to fifty employees that primarily serve the Portland/Vancouver metropolitan area's industries. Business people who are attracted to the area for its "quality of life" features own many of the new start-ups. This has reinforced the need to maintain a balanced, community-based approach to economic diversification.

Public partnerships are forming to address the need to upgrade infrastructure, such as access to fiber optic service. Again, the community is selling its setting to attract entrepreneurs interested in high tech developments. At least two business owners have opened internet services locally that are now competing in the Portland/Vancouver market.

The Future

This rural community continues to address its vision for its future. The community continues to attract new residents, with 50% of the population having lived in the area less than fifteen years. Every effort is being made to encourage the new residents to participate in the community. The transition to a bedroom community in portions of the region will need to be counterbalanced with the diversification of the community's economic base. Local residents' energies and skills will be a strong asset. And the community will continue to explore better

For More Information:

Results of the Inland Northwest Adjustment Strategy and Regional Socio-Economic Assessment are detailed in a Summary Report, with additional maps and data available in a Technical Appendix. These documents may be obtained by visiting the web-sites for the Idaho Department of Commerce: **www.idoc.state.id.us**; Montana Department of Commerce: **www.commerce.state.mt.us**; Oregon Economic & Community Development Department: **www.econ.state.or.us**; Washington Community Economic Revitalization Team: **www.wacert.wa.gov**; or by contacting Barney & Worth, Inc. (info@barneyandworth.com)

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